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C O N F I D E N T I A L SECTION 01 OF 02 AMMAN 001579

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SUBJECT: KING AND STAFFDEL DISCUSS PEACE PROCESS, LEBANON,

MALIKI VISIT TO AMMAN

Classified By: Ambassador David Hale for reasons 1.4 (b) and (d).

11. (C) Summary: On May 26, a delegation of eleven Congressional staffers met with King Abdullah and Queen Rania as part of a trip organized by the Jordanian Ministry of Foreign Affairs. The King was relatively downbeat on the Israeli-Palestinian peace process and Lebanon. He identified events in Lebanon as a sign Iran was succeeding in its strategy of destabilization. The King also predicted their next step would be to provoke Israel or Egypt into armed conflict with Hamas in Gaza. He saw an opportunity in a planned visit to Jordan by Iraqi PM Maliki. Finally, the King outlined the economic issues facing Jordan, and his plans for establishing a strategic reserve of commodities. End Summary.

Peace Process

- 12. (C) The King expressed concern about a lack of progress on Israeli-Palestinian negotiations, and noted negative reactions to President Bush's recent visit to the region, particularly his speech to the Knesset and his speech in Sharm Al-Sheikh, which together contributed to the popular perception that little is being demanded of Israel. In spite of the shortening timeline, the King indicated that American efforts still had a vital role in helping the players to focus on the necessity for action. "They need to break out the map and the crayons," he posited. The King raised the possibility that Israeli PM Olmert will be forced to take military action in Gaza, and wondered aloud what such a move would accomplish.
- 13. (C) On the public announcement of Syrian-Israeli negotiations on the Golan Heights, the King said, "I don't give it much validity. I have my doubts about its seriousness." He added that since the Syrian and Israeli positions were "so far away" from one another, it could serve simply to distract Israel from the more central issue of the Palestinians.

Lebanon

14. (C) The King expressed disappointment with the Qatari-mediated outcome in Lebanon. Saying that "Hezbollah won hands down," he asserted that Iran was strengthened by the lack of an Arab consensus and took advantage of tepid support for Lebanon's government from the West. The King remarked that "Iran and its proxies are not sleeping," adding that they will continue to push the envelope, perhaps turning to Gaza as their next project, by provoking Egypt into armed action. In contrast, the King remarked that "the good guys"

don't have a strategy to deal with Iran" and its proxies in the region.

Iraq

15. (C) Turning to Iran's role in Iraq, the King saw the recent operation in Basra as a move in the right direction. Saying that "Iran suffered a setback" there, the King noted that he was seeing "action on a national level" for the first time. Assessing PM Maliki, the King said that there was still a trust gap, but that "the Maliki we see today is different, more mature," than the Maliki of the past. He added that the previous lack of "balance" in Maliki's actions and perspective were partially the fault of moderate Arab leaders like himself, who have not engaged with him on enough of a sustained basis. The King hoped to change this during a planned upcoming Maliki visit to Jordan, and raised his intent to send a Jordanian ambassador to Iraq once the visit takes place.

The Domestic Front

16. (C) On the domestic front, the King acknowledged that the economy was the number one issue of the day. When asked about his efforts to alleviate economic pressures, the King spoke of the establishment of a government-run strategic reserve of essential commodities such as wheat, sugar, and rice. He is looking to stockpile six months' worth of these staples as a move against market fluctuations (Ref A). In the longer term, the King spoke of pipelines for Iraqi oil

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running through Jordan rather than Syria - something he hopes to start working on soon.

¶7. (C) Asked about the barriers to reform domestically, the King asserted that "the leadership gets it," but acknowledged that lower tiers in society and the bureaucracy are harder to convince. He gave honor crimes as an example, and detailed his personal pressure on members of the judiciary to hand down harsher sentences for offenders. The King revealed that he hoped to have new legislation on honor crimes completed by the end of the year. He also spoke of his personal commitment to the passage of more liberal public assembly and NGO laws during an extraordinary session of parliament this summer (Refs B, C, and D).